

**In the matter of the Iowa Attorney
General's Investigation of:**

JAMES D. SHANNON,
INDIVIDUALLY AND IN HIS
CORPORATE CAPACITIES,

CHAMPION POSTERS, LLC,

VARSITY PROMOTIONS,

CONSUMER ENTERPRISES, LLC,

RESPONDENTS.

ASSURANCE OF VOLUNTARY
COMPLIANCE

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CONSUMER PROTECTION DIV.

INTRODUCTION:

The undersigned Office of the Attorney General of Iowa and RESPONDENTS state and agree as follows:

1. This Assurance of Voluntary Compliance ("AVC") is entered into this 24th day of April ~~March~~, 2017, by and between the State of Iowa *ex rel.* Thomas J. Miller, Iowa Attorney General by Assistant Attorney General Mariclare Thinnies Culver (the "State"), and James D. Shannon, in his individual and corporate capacities, Champion Posters, LLC, Varsity Promotions, and Consumer Enterprises, LLC (hereinafter "RESPONDENTS"). The State and RESPONDENTS are collectively referred to as "the Parties." The Parties enter into this AVC to resolve the issues raised during the Attorney General's investigation and concerns regarding RESPONDENTS' alleged unlawful business practices and lack of compliance with Iowa Code § 714.16, the Iowa Consumer Fraud Act ("CFA").

2. RESPONDENTS agree to enter into this AVC in order to resolve all issues raised in relation to RESPONDENTS' business practices that were the subject of the Attorney General's investigation and which pre-date this AVC relating to the solicitation and sales of print advertising to residents and businesses of the State of Iowa (hereinafter "Iowa Consumers").

THE PARTIES' STIPULATIONS AS TO RESPONDENTS:

3. RESPONDENT JAMES D. SHANNON (d/o/b/ 9/14/1971) (SSN xxx-xx-6164) is a citizen of the State of Iowa and conducts business in numerous states. JAMES D. SHANNON is named in his individual capacity and in his past and present corporate capacities. JAMES D. SHANNON solicits and transacts business in the State of Iowa as an owner, managing member and/or agent of one or more of the business entities named as RESPONDENTS.
4. CHAMPION POSTERS, LLC is an Iowa limited liability company which is owned and/or member managed by JAMES D. SHANNON, and is used by RESPONDENTS to solicit and transact business in the State of Iowa.
5. VARSITY PROMOTIONS is a d/b/a of JAMES D. SHANNON, CHAMPION POSTERS, LLC and CONSUMER ENTERPRISES, LLC, although VARSITY PROMOTIONS is not registered with the Iowa Secretary of State to conduct business in the state of Iowa. VARSITY PROMOTIONS is used by JAMES D. SHANNON and RESPONDENTS to solicit and transact business in the State of Iowa, and RESPONDENTS operate a website titled www.varsitypromotions.org for such purposes.

6. CONSUMER ENTERPRISES, LLC is an Iowa limited liability company which is owned and/or member managed by JAMES D. SHANNON and is used by RESPONDENTS to solicit and transact business in the State of Iowa. Although the Iowa Secretary of State's online database states that CONSUMER ENTERPRISES, LLC was administratively dissolved by the State of Iowa on or about 8/14/2013 for failure to file its biennial report, it continues to solicit business and operate a website titled www.varsitypromotions.org, at the bottom of which states, "Consumer Enterprises LLC, DBA Champion Posters."
7. RESPONDENTS, located in Davenport, Iowa, are in the business of making and selling posters of high school sports teams' schedules and other school schedules for post-secondary schools, both in and outside of the State of Iowa. For Iowa-located schools, RESPONDENTS contact Iowa Consumers to solicit advertising sales for such posters. RESPONDENTS sell print advertisements on the various posters to Iowa Consumers located in the town/community in which the school featured on the poster is located.
8. RESPONDENTS' business practices have been the subject of numerous complaints to the Iowa Attorney General's Office.

ALLEGATIONS BY THE STATE OF IOWA:

The State of Iowa alleges that:

9. RESPONDENTS, through their solicitation, marketing and sales of print advertisements, violated § 714.16 (2)(a) of the CFA through various unlawful business practices by making misrepresentation to Iowa Consumers, including, but not limited to:

- a. Misrepresenting that RESPONDENT(S) have an association or affiliation with the school featured on the poster;
 - b. Misrepresenting that RESPONDENT(S) would widely distribute the sports poster(s), on which the advertisement(s) were sold, to the school's students and families in the town/community in which the school is located, including that the posters would be handed out at school and at school sporting events;
 - c. Misrepresenting that RESPONDENT(S) would widely distribute and display the sports poster(s), on which the advertisement(s) were sold, to and in businesses in the town/community in which the school is located;
 - d. Misrepresenting that a large number of the posters would be printed for distribution.
10. These representations were false and made by RESPONDENTS to induce Iowa Consumers into purchasing advertisements on the posters. The State further alleges that the posters were not printed, distributed, or displayed in the numbers as represented by RESPONDENTS. In many instances, the only printing and distribution of the posters was for/to the Iowa Consumers who had purchased the advertisements to be placed on the posters. In some instances RESPONDENTS did not even send the Iowa Consumers copies of the printed posters on which they had purchased advertising.

GENERAL STIPULATIONS:

The State of Iowa and RESPONDENTS, individually and in their corporate capacities, AGREE that:

11. RESPONDENTS and RESPONDENTS' employees, successors, principles, partners, members, agents, representatives, subsidiaries, assigns, parent or controlling entities, and all other persons, corporations, and other entities acting in concert or participating with one or more RESPONDENT(S) who have actual or constructive notice of the AVC shall refrain and CEASE and DESIST, now and at all times in the future, from engaging or participating, directly or indirectly, in any form of business operations that involves the solicitation, advertising, marketing, or sale of advertisements including, but not limited to, advertisements or sponsorship sales for promotional items, sports and school posters, merchandise and promotional items (a) to Iowa Consumers, or (b) that is conducted in whole or in part from any location in the State of Iowa.
12. RESPONDENTS shall immediately CEASE and DESIST billing Iowa Consumers for promotional advertisements that were transacted for at any time prior to the effective date of this AVC.
13. RESPONDENTS shall respond truthfully, fully and promptly to requests from the Attorney General for their, and their employees and agents, last known contact information (full name, mailing or billing address, email address, and telephone number).
14. RESPONDENTS shall respond truthfully, fully and completely to requests from the Attorney General for information relating to their compliance with this AVC; however, this cooperation requirement shall not limit the Attorney General's investigative or other powers under the law.

15. RESPONDENTS shall undertake all steps necessary to ensure that any of their agents and employees under its or their individual or joint authority or control understand and comply with this AVC.
16. A violation of this AVC shall constitute a violation of the CFA for purposes of enforcement by the Attorney General. In any enforcement action in an Iowa District Court in which one or more violations of this AVC are established by the Attorney General by a preponderance of the evidence, the Court shall apply the remedies provided in the CFA, in addition to any other remedies provided by law.
17. This AVC is for settlement purposes only. No part of this AVC constitutes or shall be deemed to constitute an admission by RESPONDENTS, or any of them, that they have engaged in conduct that is in violation of any Iowa statutory or common law, all of which RESPONDENTS deny.
18. This AVC constitutes a complete settlement and general release by the Attorney General of Iowa of the State's civil claims for violation(s) of the CFA against RESPONDENTS arising out of the advertising, marketing, or sale by RESPONDENTS of promotional advertisements to Iowa Consumers that arose between the dates of January 1, 2009 and November 30, 2016 (the period of time that was under investigation) that were or could have been asserted by the Attorney General against RESPONDENTS, provided that the release does not apply to the extent any RESPONDENT provided misleading information to the Attorney General relating to such acts.

19. The Parties agree that this AVC does not constitute an approval by the Attorney General of any of RESPONDENTS' past or future practices and RESPONDENTS shall not make any representation(s) to the contrary.
20. The requirements of this AVC are in addition to, and not in lieu of, any other requirements of state or federal law.
21. Nothing contained in this AVC shall be construed to create or waive any individual private right(s) or cause(s) of action by any Consumer of any state.
22. RESPONDENTS shall not participate, directly or indirectly, in any activity to form, proceed, or conduct business or sales as a separate entity, partnership, LLP, LLC, or corporation for the purposes of engaging in acts prohibited by this AVC or for any other purpose which would otherwise circumvent any part of this AVC.
23. If any clause, provision or section of this AVC shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this AVC and this AVC shall be construed and enforced as if such illegal invalid or unenforceable clause, section or other provision had not been contained herein.
24. The section headings and subheadings contained in this AVC are included for convenience of reference only and shall be ignored in the construction and interpretation of this AVC.
25. This AVC sets forth the entire agreement between the Parties.
26. The Iowa District Court for Polk County Iowa has jurisdiction over the parties for the purpose of enforcing this AVC and for the purpose of granting such additional relief as is appropriate.

27. This AVC may be executed in counterparts, each of which shall be deemed to constitute an original counterpart hereof, and all of which shall together constitute one and the same AVC. One or more counterparts of this AVC may be delivered by electronic transmission or facsimile with the intent that it, or they, shall constitute an original counterpart hereof.

28. The Iowa Attorney General's Office and the undersigned RESPONDENTS have the authority to sign this AVC and consent to the form and contents of this AVC.

STATE OF IOWA, OFFICE OF THE ATTORNEY GENERAL

By: Mariclare Thinner Culver

Mariclare Thinner Culver, Assistant Attorney General

Consumer Protection Division

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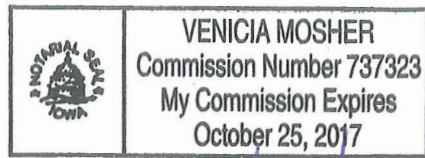
James D. Shannon
James D. Shannon, Respondent

State of Iowa
County of Scott

Signed before me on 4/24/2017 [date]
By Venicia Mosher

[Signature]
Signature, Notary Public, State of Iowa

STAMP:



My commission expires 10/25/2017